

Georgia Part C 2008 Verification Visit Letter

Enclosure

Georgia's Part C program, Babies Can't Wait (BCW), is a component of the Office of Birth Outcomes (OBO) in the Division of Public Health of the Georgia Department of Human Resources (DHR), the State lead agency. BCW is implemented at the local level by 18 districts or early intervention service (EIS) programs, which are referred to by DHR as single point of entry or SPOE programs. DHR reported in its Part C FFY 2006 Annual Performance Report (APR) that it served 5357 infants and toddlers with disabilities representing 1.26% of the State's population from birth to age three. DHR has adopted a State system of payments under Part C of the IDEA and has adopted the Part C due process hearing procedures under 34 CFR §303.420 to resolve individual child disputes under Part C.

I. General Supervision

Critical Element 1: Identification of Noncompliance

Does the State have a general supervision system that is reasonably designed to identify noncompliance in a timely manner using its different components?

Verification Visit Details and Analysis

Prior to FFY 2006, DHR used its general supervision system, including cyclical monitoring, its database, child record reviews, and district self-assessment reports, to identify noncompliance. DHR scheduled its 18 BCW districts for cyclical monitoring over a three-year period. DHR began a three-year monitoring cycle by monitoring the first set of six districts in FFY 2003, the second set in FFY 2004, and the third set in FFY 2005. DHR sent reports to each district that identified any findings of noncompliance. DHR used improvement or corrective action plans to detail district activities for addressing noncompliance. With one district, DHR entered into a compliance agreement to address longstanding noncompliance.

In FFY 2006, DHR restructured its cyclical monitoring to a focused monitoring system with Child Find and Transition as the targeted areas. DHR staff monitored two districts that were selected based on their low performance in the targeted areas. DHR sent a monitoring report to one of those districts, which included findings of noncompliance. DHR staff reported to OSEP during the verification visit that while BCW located a draft report for the second district, DHR could find no evidence as to whether it ever finalized or issued the report, or required correction of the noncompliance that was identified in the draft report.

In FFY 2007, Georgia's Part C Coordinator and most of the BCW State staff resigned. DHR discontinued the focused monitoring process due to the loss of its monitoring coordinator, so that the two FFY 2006 focused monitoring reviews described above were the only focused reviews that DHR ever conducted. In the Fall of 2007, DHR conducted on-site data verification visits and two-day site visits to each of the 18 BCW districts. For the verification visits, DHR's data team reviewed a sample of child records to verify consistency between record data and information in the BCW database. The data team did not use the data verification visits to identify noncompliance. Following the data verification visits, DHR conducted a two-day site visit to each of the BCW's 18 districts. The monitoring team for each district included BCW State staff and staff from DHR Policy, Planning and Evaluation, DHR Infant and Child Health, and the Data team. The purposes of these visits were to: (1) discuss new policies for the Primary Service Provider (PSP) Model, Tiered Service Coordination, and Children First; (2) review district performance and discuss district issues; and (3) share outcomes from the data verification

visits. The monitoring team developed improvement and technical assistance plans on-site with each district. Following the visits, DHR sent data visit and site visit reports to the districts. DHR also established a schedule of monthly meetings with Early Intervention Coordinators (EICs) in each district. DHR used these meetings to discuss district performance data and district-level issues.

As further described below, in August 2008 (FFY 2008), DHR began conducting follow-up activities with the 12 BCW districts that had noncompliance identified in FFY 2004 or FFY 2005. These follow-up activities included database reviews for all 12 districts and site visits with four districts. The purpose of these follow-up activities was to determine if correction of noncompliance identified in FFY 2004 and FFY 2005 had occurred. DHR explained that it did not design or use these follow-up activities to identify any new areas of noncompliance. DHR found some districts continued to have noncompliance in the same areas identified in FFY 2004 and FFY 2005.

Although, as described above, DHR conducted on-site visits in FFY 2007 and FFY 2008, DHR had not, at the time of the verification visit, conducted any monitoring activities for the purpose of identifying noncompliance or issued any findings of noncompliance since FFY 2006, when DHR conducted focused monitoring with two BCW districts, of which only one district received a report. Currently, DHR is collecting data from BCW districts that indicate noncompliance. Despite these data, DHR is not making findings of noncompliance. DHR is not notifying districts that there is noncompliance and that districts must correct such noncompliance as soon as possible but not later than one year from identification.

During OSEP's verification visit, DHR began seeking technical assistance from the Southeast Regional Resource Center (SERRC), National Early Childhood Technical Assistance Center (NECTAC), and Data Accountability Center (DAC) regarding restructuring its general supervision system and developing enforcement options. DHR indicated to OSEP that it has decided to return to a three-year cyclical monitoring system to identify noncompliance in the 18 BCW districts. DHR has tentative plans to visit six districts between October 2008 and June 1, 2009. DHR is also planning to conduct the data verification process. BCW State staff are redeveloping monitoring tools and have drafted guidelines for site visits, findings, determinations, and enforcement.

OSEP Conclusions

To effectively monitor the implementation of Part C of the IDEA by EIS programs in the State under IDEA sections 616(a), 635(a)(10)(A) and 642 and 34 CFR §303.501(a) and (b)(1), DHR must conduct monitoring activities to identify noncompliance and issue findings of noncompliance when it is in receipt of valid and reliable data that clearly reflect noncompliance. Based on the review of documents, analysis of data, feedback from stakeholders and interviews with State personnel, OSEP finds that DHR does not have a general supervision system that is reasonably designed to identify noncompliance in a timely manner using its different components. Although DHR conducted on-site monitoring visits in FFY 2007 and FFY 2008, it has not identified noncompliance or issued any findings of noncompliance since FFY 2006.

Required Actions/Next Steps

With its 2009 Part C application, DHR must provide:

1. A description of the monitoring activities that will be used to review or gather data from all districts (and a description of which data will be used to identify any noncompliance);
2. The Part C requirements for which DHR will monitor compliance and the method(s) it will use to monitor those requirements;
3. The mechanism by which DHR will notify BCW districts of any findings of noncompliance (a report, self-assessment response, etc.); and
4. The timeline by which DHR will complete its activities (including issuing any findings) to ensure full implementation of those activities by June 30, 2010.

Critical Element 2: Correction of Noncompliance

Does the State have a general supervision system that is reasonably designed to ensure correction of identified noncompliance in a timely manner?

Verification Visit Details and Analysis

From FFY 2004 to FFY 2006, when DHR was conducting cyclical and focused monitoring, BCW State staff used a variety of mechanisms to monitor progress toward correction of noncompliance but did not verify correction of noncompliance. These mechanisms included improvement plans, corrective action plans, technical assistance plans, a compliance agreement with one district, quarterly reports submitted by districts, and monthly performance reports from the database. OSEP found during the verification visit that DHR did not consistently provide BCW districts with a timeline for correction of noncompliance or specify a timeframe for correction that was consistent with OSEP requirements. DHR did not take any action to verify correction of noncompliance until August 2008, when it established teams to conduct follow-up activities on FFY 2004 and FFY 2005 noncompliance with 12 BCW districts. Therefore, DHR could not provide documentation that its FFY 2006 APR data were valid and reliable.

At the time of OSEP's verification visit, the State had conducted follow-up activities with nine of 12 BCW districts and was in the process of finalizing follow-up reports. Subsequent to the visit, DHR sent OSEP copies of monitoring reports that DHR had sent to districts. In those reports, DHR confirmed that it had reviewed updated data for FFY 2004 and 2005 findings to determine whether they had been corrected. Those reports show that DHR found that some but not all of those findings had been corrected. Where there were remaining findings, DHR's reports required the BCW districts to submit improvement plans, but did not establish any date by which the districts needed to correct remaining noncompliance.

Through its review of district records during the verification visit, OSEP discovered that DHR entered into a compliance agreement with one BCW district (Fulton). This agreement identified correction activities and provided the district with a three-year timeframe for correction of noncompliance. A three-year timeline for correction is inconsistent with Part C and the General Education Provisions Act (GEPA) in 20 U.S.C. §1234f. A State may permit an early intervention service program to take more than one year to correct noncompliance under very limited circumstances, such as a court order or consent decree. Another such circumstance might be if the State had entered into a compliance agreement with the U.S. Department of Education (Department) under GEPA and that agreement permitted the State a period beyond one year for correction and allowed the lead agency the ability to enter into such local agreements. Georgia is

not under a compliance agreement with the Department and current BCW State staff were unaware of the existence of the local compliance agreement.

The principal barrier to DHR's general supervision responsibilities has been the restructuring of DHR's early intervention program at the State level, and a total turnover of BCW State staff. Since the 2007 resignation of DHR's long-time Part C coordinator, DHR has had three Acting Part C coordinators. In addition, the BCW Monitoring Director retired in FFY 2007 and had not been replaced at the time of OSEP's September 2008 verification visit. Currently, the BCW State staff consist of an Acting Part C Coordinator, a technical assistance specialist, and two administrative personnel. BCW State staff receive additional support from personnel assigned to other departments within DHR's OBO.

OSEP Conclusions

To effectively monitor the implementation of Part C of the IDEA by EIS programs in the State under IDEA sections 616(a), 635(a)(10)(A) and 642 and 34 CFR §303.501(b), the State must ensure that identified noncompliance is corrected in a timely manner. Based on the review of documents, analysis of data, feedback from stakeholders and interviews with State and local personnel, OSEP finds that DHR does not have a system that is reasonably designed to ensure correction of noncompliance in a timely manner.

Specifically, DHR has not consistently informed districts of the requirement to correct noncompliance as soon as possible but in no case later than one year from the date of identification. DHR did not timely follow up to ensure correction of FFY 2004 and FFY 2005 findings of noncompliance. (DHR began follow-up in August 2008, which was well past the one-year timeline for correction.) Further, as noted above, OSEP determined, through the verification visit, that the State's FFY 2006 data for Indicator 9 were not valid and reliable, because the State had no documentation regarding the extent to which FFY 2005 findings were timely corrected.

Required Actions/Next Steps

With its FFY 2009 Part C grant application, DHR must assure OSEP in writing that the mechanism by which DHR will notify BCW districts of any findings of noncompliance (a report, self-assessment response, etc.) will explicitly specify that the BCW district must correct any findings of noncompliance as soon as possible, but no later than one year from DHR's identification of the noncompliance and that DHR will also verify correction within that one-year time period.

In addition, with its FFY 2008 APR, due February 1, 2010, DHR must provide a list of findings made by DHR through December 31, 2009, and to the extent that the one year timeline for correction has run on any of those findings by December 31, 2009, the number of those findings for which DHR has verified correction. Further, although the one year timeline will not yet have run by December 31, 2009 for findings made after December 31, 2008, DHR must report the extent to which any such findings have been corrected.

Critical Element 3: Dispute Resolution

Does the State have procedures and practices that are reasonably designed to implement the dispute resolution requirements of IDEA?

Verification Visit Details and Analysis

The State must have in place dispute resolution procedures to implement its dispute resolution responsibilities under Part C of the IDEA as set forth in IDEA, sections 616(a), 635(a)(13), 639, and 642 and 34 CFR §§303.400, 303.420, and 303.510 through 303.512. DHR staff indicated that families are informed of their due process rights through the distribution of procedural safeguard documents at intake, Individualized Family Service Plan (IFSP) meetings, and service coordinator meetings. DHR staff reported that procedural safeguard materials are available in 11 different languages and are also available on the BCW website. DHR receives very few complaints and requests for due process hearings under Part C of the IDEA.

State Complaints

DHR maintains a dispute resolution database for tracking complaints and requests for mediation and due process hearings. This database also includes records of informal contacts and inquiries by parents, providers, and other stakeholders of the BCW program. DHR updated the database in Spring 2008. BCW State staff reported to OSEP that they and district Early Intervention Coordinators (EICs) respond to complaints and concerns expressed by telephone, and contact district BCW staff in an attempt to resolve issues. Signed, written complaints submitted by mail or fax to DHR or the districts are handled by a dedicated BCW State staff member who functions as a Complaint Coordinator. The process was described to OSEP as follows: the Complaint Coordinator date stamps the complaint, enters the complaint information in the database, contacts the complainant, initiates an investigation, and ensures that DHR issues a written decision on each complaint within 60 calendar days from the date of receipt by DHR. If any issue in the complaint is the subject of a due process hearing, DHR sets aside the part of the complaint being addressed in the hearing until conclusion of the hearing. DHR does not have a complaint appeals process, but BCW State and District staffs inform parents of their right to request a due process hearing and to file a civil action to appeal a hearing decision.

Although DHR receives very few signed, written complaints, OSEP found a discrepancy between the complaint data, as reported by the BCW Complaint Coordinator to OSEP during the verification visit, and the data submitted in Georgia's Part C FFY 2005 and FFY 2006 Annual Performance Reports (APRs). OSEP confirmed that this discrepancy was attributable to DHR's process of logging signed written complaints and informal concerns into the same database. This database practice has led to inaccurate reporting by DHR because complaints and concerns have been counted together. OSEP has provided and will continue to provide technical assistance to DHR to address this issue.

Due Process Hearing Requests

DHR uses Part C due process procedures under 34 CFR §303.420 to resolve individual child disputes under Part C. DHR uses the Georgia Office of Administrative Hearings (OSAH) to manage and conduct its due process hearings. DHR reported that upon receipt of a hearing request, its procedures are to complete an OSAH form and send a copy of the form to OSAH and to the DHR Legal Department. OSAH assigns an impartial hearing officer to handle the case and issues a written decision with findings of fact to both parties within 30 days of the hearing request. DHR reported that it ensures the impartiality of the hearing officers by using hearing officers who: (1) are not employed by the State or any program involved with early intervention; (2) do not have a personal or professional interest that would conflict with their objectivity in the hearing process; and (3) are not a local board of health official.

The BCW Complaint Coordinator reported to OSEP during the verification visit that DHR did not receive any requests for due process hearings during FFY 2004, 2005, and 2006. This report is consistent with the due process data provided by DHR in its FFY 2004, 2005, and 2006 APRs.

Mediation

The BCW Complaint Coordinator handles mediation requests submitted at the district or State level. Mediation is available to parents at any time it is requested. DHR uses the Justice Center of Atlanta to conduct its mediations and works with the Center to ensure the qualifications and impartiality of the mediators. DHR's dispute resolution procedures require that mediations be completed within 14 calendar days of the date of receipt of the mediation request.

The BCW Complaint Coordinator reported during the verification visit that DHR received no mediation requests in FFY 2004, one request in FFY 2005, two requests in FFY 2006, and one request in FFY 2007 that was subsequently withdrawn by the parent. However, the State's mediation request data, as reported in its FFY 2006 APR, indicate only one mediation request in FFY 2006. No inconsistencies exist for the other years.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP finds that DHR has procedures that are reasonably designed to implement the dispute resolution requirements under Part C of the IDEA. OSEP will continue to provide technical assistance to DHR to address its recordkeeping system to accurately log and report to OSEP the number of complaints. With respect to due process hearing requests, although DHR's procedures appear to be reasonably designed to address such requests, given the lack of any requests in the last three years, OSEP could not review whether such due process hearing request procedures would be implemented to ensure timely resolution of such requests.

Required Actions/Next Steps

No action is required.

Critical Element 4: Improving Early Intervention Results

Does the State have procedures and practices that are reasonably designed to improve early intervention results and functional outcomes for all infants and toddlers with disabilities?

Verification Visit Details and Analysis

In interviews with OSEP staff during the verification visit, DHR explained that improving early intervention results and functional outcomes for all infants and toddlers with disabilities is a priority for the State. DHR ensures that early intervention services are individualized for children by requiring that IFSP teams consider the individual needs of each child and family when developing outcomes, determining services, and identifying the natural environment. Specifically, BCW State staff instruct EICs, service coordinators, and providers to work with families to select outcomes and services that are consistent with the evaluation results and characteristics of the child and their family assessment information.

In an effort to ensure better services for children and families and maximize resources, DHR moved BCW to a Primary Service Provider (PSP) Model and to Tiered Service Coordination during FFY 2007. DHR hired a contractor to train all district staff on PSP. In addition, DHR

conducted training for staff on Tiered Service Coordination. Two BCW State staff members continue to provide technical assistance to each district on PSP.

DHR trains all new providers on the elements of Part C and the requirement that services be provided in a natural environment, unless the provision of services in a non-natural environment is appropriately justified in the IFSP. Also, DHR provides training to staff as training needs are identified by EICs or uncovered through district data reviews. In FFY 2007, DHR discovered that its BCW districts were capturing child outcome data inaccurately. DHR determined that district staff were not properly trained on the use of the Child Outcome Summary Form (COSF). Currently, DHR is making arrangements to have the Early Childhood Outcomes Center (ECO) conduct statewide training on the COSF documents. In addition, DHR is working closely with the Georgia Department of Education to plan statewide training on Part C to Part B transition.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP is able to determine that DHR has procedures and practices that are reasonably designed to improve early intervention results and functional outcomes for all infants and toddlers with disabilities.

Required Actions/Next Steps

No action is required.

Critical Element 5: Implementation of Grant Assurances

Does the State have procedures and practices that are reasonably designed to implement selected grant assurances (i.e., monitoring and enforcement, Comprehensive System of Personnel Development (CSPD), and interagency agreements, contracts or other arrangements?

Verification Visit Details and Analysis

Child Find and 45-Day Timeline

As part of its requirements for a child find system under section 635(a)(5) of the IDEA and 34 CFR §§303.321(e)(2)(i) and (ii), 303.322(e)(1) and 303.342(a), the State must have a child find system that ensures that within 45 days of receiving a referral, the State completes the initial evaluation to determine eligibility for Part C (the initial child and family assessments) and holds an initial IFSP meeting if a child is deemed eligible. Most BCW referrals are handled by Children First, which functions as a single point of entry for all public health programs serving children and is another entity in DHR's Office of Birth Outcomes. DHR's public awareness materials inform parents and other referral sources that they are to make referrals for Part C services to Children First, rather than directly to BCW. BCW districts that receive direct referrals are instructed by DHR to send child find referral information to Children First. However, BCW State staff reported to OSEP that some BCW districts do not follow this policy and handle direct referrals themselves.

During OSEP's verification visit, the State Coordinator for Children First described the BCW referral process. A Children First staff member obtains information from the referral source and then disseminates that information to the appropriate BCW district program. If the referral source has documentation of a diagnosis that is an automatic qualifying condition or syndrome, Children First requests a copy of the medical documents and shares the information with a Birth to Five Review Team consisting of representatives from the various children's programs within

DHR's Division of Public Health. These referrals are then sent to BCW within two business days. If the referral source has developmental screening results for the child, Children First requests copies of those documents, completes a Maternal and Child Health Assessment and forwards the information to BCW. In instances where the referral source does not have screening information, Children First administers a developmental screening tool and a Maternal and Child Health Assessment and then sends the referral to BCW. This process can take as long as 14 business days. BCW State staff reported during the verification visit that Part C's 45-day timeline under 34 CFR §303.321(e)(2) begins to run when BCW receives the referral from Children First, rather than when Children First (the entity to which DHR has directed parents and referral sources to make referrals) receives the referrals. This delay in beginning the 45-day timeline is inconsistent with Part C.

Public Reporting and Local Determinations

As part of its monitoring and enforcement responsibilities under sections 616 and 642 of the IDEA, each lead agency must annually report to the public on the performance of each EIS program against the State's SPP/APR targets and must make an annual determination for each EIS program. DHR meets this reporting requirement by publishing the performance of each district against targets in the State's SPP, which in turn is posted on the BCW early intervention website. DHR staff confirmed that it had completed public reporting of district performance for FFYs 2005 and 2006.

As part of the verification visit, OSEP specifically inquired into DHR's methodology for making annual determinations with each of its EIS programs. DHR reported that it was unable to find documentation to verify whether BCW had made annual determinations for FFY 2005 or FFY 2006, and had not yet made determinations for FFY 2007. During the verification visit, DHR shared draft monitoring documents, which included a protocol for making determinations with their districts in FFY 2008.

Interagency Coordination

Under IDEA sections 635(a)(10), 637(a)(2), (6) and (9), and 640, each State lead agency must include in its Part C application: (1) a certification that its methods to ensure service provision and fiscal responsibility for services are current; and (2) its policies and procedures for transition (including an interagency agreement if the lead agency is not the SEA) and potential interagency agreements regarding referrals of children under CAPTA.

At the State level, DHR does not rely on other State-level agencies to provide or pay for Part C services. DHR has interagency agreements with the Georgia Department of Education to address transition from Part C to Part B and with the Georgia Department of Family and Child Services for handling referrals from child welfare to Part C. These agreements must be on file with OSEP to the extent they are used by DHR to meet the requirements of IDEA sections 637(a)(6) and (a)(9). OSEP will review and respond to DHR through the grant application process regarding any updated agreements. DHR staff reported that DHR has a draft agreement with the Georgia Department of Early Care and Learning for working with child care programs.

Regarding ensuring data reporting, fiscal accountability, and other general supervision responsibilities over the BCW districts, DHR staff reported the use of a contractual public health agreement with each of its districts to address Part C requirements and the requirements of the Education Department General Administrative Regulations (EDGAR). Such agreements are

signed annually. At the local level, DHR staff indicated that BCW districts have agreements with Early Head Start, Head Start, and a few other community-based programs. The agreements entered into by BCW and its districts vary in title and content.

Comprehensive System of Personnel Development (CSPD)

DHR has a CSPD agreement with Georgia State University (GSU). GSU subcontracts with smaller colleges in Georgia for the purposes of: (1) promoting career awareness of EI professions; (2) recruiting students for job opportunities in EI; (3) managing the State's voluntary credentialing program; and (4) tracking professional development credits for service coordinators.

DHR determines training needs by reviewing statewide and district data reports and by identifying issues at EIC meetings. Recent training needs identified through this process have been evaluation and assessment, child outcomes, primary service provider model, and parental rights. DHR has addressed these needs by conducting district and statewide training; providing technical assistance; and by planning future statewide training opportunities.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP finds that DHR has procedures and practices that are reasonably designed to implement generally its grant assurances regarding CSPD and interagency coordination, but not its grant assurances in two areas: (1) conducting annual determinations of local EIS programs, and (2) complying with Part C's 45-day requirements regarding when the timeline begins.

Specifically, OSEP finds that DHR's procedures and practices are not consistent with the 45-day timeline requirements under IDEA sections 635(a)(5) and 636 and 34 CFR §§303.321(e)(2)(i)(ii), 303.322(e)(1) and 303.342(a). In addition, OSEP finds that DHR has failed to make annual determinations for each of its 18 EIS programs (BCW districts) as required by IDEA sections 616(a) and 642. At the time of the verification visit, DHR did not have: (1) finalized procedures for making local program determinations; (2) a timeline for making local program determinations; or (3) evidence to demonstrate that the State had made local program determinations.

Required Actions/Next Steps

With its 2009 Part C application, DHR must provide a written assurance or documentation that the State has finalized procedures and a timeline for making local program determinations for FFY 2006 and FFY 2007 by December 31, 2009. Further, DHR must provide documentation with its FFY 2008 APR, due February 1, 2010, that it has met those timelines for making local program determinations and taking appropriate enforcement actions.

In addition, with the State's FFY 2009 Part C application, DHR must provide a written assurance that its Part C 45-day timeline runs from when Children First (the entity to which DHR directs parents and referral sources to make referrals) receives a referral and not when DHR receives a referral from Children First.

II. Data System

Critical Element 1: Collecting and Reporting Valid and Reliable Data

Does the State have a data system that is reasonably designed to collect and report valid and reliable data and information to the Department and the public in a timely manner?

Verification Visit Details and Analysis

State Database

DHR collects data through the early intervention database called the RBB (Results Based Budget) data system, which is managed by a dedicated statistical analyst¹ with the assistance of a data contractor. The RBB database is not a real time system. BCW districts collect data through monthly child and family reports and must send these data to the State by the fifth day of each month. These data are uploaded into the State's RBB database. DHR staff reported that BCW districts are often late in their submissions, with some districts being habitually late. DHR is addressing the problem of late data submissions during meetings and conversations with EICs.

In Spring 2008, DHR's RBB early intervention data system was updated to include new data elements, integrate the fiscal database, and capture data on public awareness activities. Prior to the system upgrade, BCW staff collected timely service provision data for Indicator 1 by viewing a sample (ten percent) of child records in each district. Now, for Indicator 1, the RBB database collects expected early intervention service initiation dates for all children with IFSPs. Additionally, the database, which had already collected information for Indicators 7 and 8, now includes pull-down menus for the timeline requirements of Indicators 7 and 8 to record reasons for delays.

The statistical analyst and data contractor are responsible for the timely submission of data reports under IDEA sections 616 and 618. In calendar year 2008, DHR received one data check from the Data Accountability Center (DAC), which the State corrected. As described above in General Supervision Critical Element 3, OSEP found minor discrepancies in the State's dispute resolution (IDEA section 618) data, as reported in the State's FFY 2005 and 2006 APRs. During the visit, OSEP staff and BCW State staff discussed the basis of the discrepancies and the updated dispute resolution database. BCW staff expressed confidence in the validity and reliability of the State's IDEA section 618 data reporting.

DHR generates statewide and district reports and creates district charts that report on each BCW district's performance by SPP/APR indicator. BCW District staff can generate the same reports as State staff to examine their performance on SPP/APR indicators and compare individual district performance with State performance.

Training

Members of the DHR data team attend regular meetings with the BCW State staff to learn about program changes that may affect the data system. DHR tries to conduct these meetings monthly, but BCW State staff reported that the meeting schedule fluctuates. Members of the data team also try to attend meetings with BCW State staff and EICs to discuss issues with data. However,

¹ Currently, early intervention database operations at the State level are being temporarily conducted by a statistical analyst from another program within DHR's Office of Birth Outcomes. During the Summer of 2008, the State's dedicated Statistical Analyst for the Part C program resigned.

due to workload, staffing issues, and responsibilities with the G-Force Initiative, DHR data team members typically attend only one of these meetings per year.

Local Data Collection

BCW State staff described local data entry as follows. Data at the BCW district level are entered by one or more data entry staff, who enter it after it is received from providers through service coordinators and EICs. EICs are responsible for ensuring that their data entry personnel are trained by alerting the BCW State office when training is needed. DHR does not maintain a regular data training schedule. EICs are also responsible for ensuring that only authorized BCW staff access the database. DHR is in the process of developing additional security mechanisms for the database.

Verification of Local Data

EICs are the BCW district leaders with responsibility for ensuring the accuracy of district data in the database. EICs supervise the data entry staff in their districts and can instruct them to generate edit reports before they upload the data to the State office. These edit reports identify data anomalies such as empty data fields and illogical data. DHR encourages, but does not require, districts to run edit reports and compare database information with child records to ensure that errors are corrected before the data is transmitted to the State. The DHR data team and BCW State staff reported that most districts do not conduct this process. Although Part C does not require local EIS programs to conduct a data verification process in which they compare the data in children's folders with the data in the data system, it can be an important way to ensure the accuracy of local data. DHR should consider whether such local verification is necessary to ensure data accuracy.

DHR identifies errors in district-level data submission via the use of data edit checks in the State's database. Each month, members of DHR's data team analyze district-level raw data submissions, generate reports, and contact district leaders when corrections are needed. BCW districts then have the opportunity to resubmit corrected data to the State. BCW has scheduled additional data validation checks to the State's early intervention database in 2008. These checks are designed to prevent errors with service entry and exit data values.

Potential Barriers

DHR identified several barriers to its data collection system. One issue is that BCW has difficulty getting its district staff to adhere to data submission deadlines. In many instances, providers that contracted with BCW districts submit late data to the district and this impacts the district's data submission to the State. BCW districts will often submit additional data to BCW for a reporting period that has already expired. DHR acknowledged that there might have been times when they submitted data to OSEP that were not completely accurate. While the State is able to determine which districts are habitually late with data submission, it does not appear to have any enforcement tools to ensure timely submissions. Given the apparent chronic nature of these timeline issues, DHR should consider the inclusion of requirements related to the timely submission of data in DHR's contracts with the BCW districts or other enforcement mechanisms.

Another challenge DHR staff identified with the State's data collection system is that it is an Access database that is not web-based. When changes are made to one area of the database it often has a negative consequence for other areas of the database. These problems are corrected by the use of software "patches" for the database. The State reported, however, that these

patches are not an ideal method for addressing database software issues. The State is addressing this barrier by exploring web-based database options and by researching how other State Part C programs are handling database issues.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP determined that DHR has procedures and practices that are reasonably designed to collect and report valid and reliable data and information to the Department and the public in a timely manner, except when DHR has not been able to report complete and accurate data due to late data submissions from districts and EIS providers. Additionally, DHR does not have policies or procedures that require district staff to validate or verify the monthly data that districts submit to DHR.

Required Actions/Next Steps

With its FFY 2008 APR, due February 1, 2010, the State must describe how DHR ensures that district staff ensure the accuracy and timeliness of monthly data submissions to DHR.

Critical Element 2: Data Reflect Actual Practice and Performance

Does the State have procedures that are reasonably designed to verify that the data collected and reported reflect actual practice and performance?

Verification Visit Details and Analysis

DHR uses data verification visits and data edit reports as state-level mechanisms for ensuring that data reflect actual practice and performance across the State. At the BCW district-level, the DHR encourages, but does not require, EICs to generate data edit reports and compare database information with child records to ensure data accuracy.

In Fall 2007, DHR conducted data verification visits with every BCW district. DHR compared district data with information in a sample of child records to determine data accuracy. DHR's data team generated reports for the State. Information from the reports was shared with each BCW district during follow-up site visits. Districts were instructed to develop improvement plans. However, DHR did not conduct any follow-up with BCW districts regarding data improvement activities specified in their improvement plans.

The RBB early intervention database has data error mechanisms that identify illogical data. DHR generates data error reports to determine which BCW districts need to resubmit corrected information. DHR then contacts those districts and provides them with instructions for resubmitting their data.

At the BCW district level, EICs have the ability to ensure the integrity of their data by generating data edit reports to check for illogical data and by comparing the database with child records to monitor incorrect data. DHR reported to OSEP, however, that EICs rarely conduct this process.

In Summer 2008, DHR conducted a mandatory training session for all BCW district leaders and data-entry staff on revisions to the database. The training introduced participants to the database changes and provided a process for participants to test the database and offer feedback. DHR does not maintain a regular training schedule related to data. DHR does, however, have a database users' guide that it shares with all districts. EICs are responsible for ensuring that data

entry staff receive training as needed. Recently, DHR initiated a new process for addressing data issues. A few months ago, DHR's data team began holding monthly videoconference meetings with all BCW districts to discuss data, data best practices, and improvement strategies for districts not performing well.

A barrier that impedes the State's ability to verify that the data collected and reported reflect actual practice and performance is the late submission of district data to DHR. As reported previously, many providers contracted by BCW districts will submit late data to districts. As a result, the data reports sent by these districts to DHR and by DHR to OSEP are incomplete and do not reflect DHR's actual practice and performance for a given reporting period. At present, DHR does not have any enforcement options to use with BCW districts that habitually submit late data.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP determined DHR has not demonstrated that it has procedures and practices that are reasonably designed to verify that the data collected and reported reflect actual practice and performance. DHR relies on data verification visits (last conducted in Fall 2007) and EICs to identify data that are inconsistent with information in child records. Although EICs have the ability to generate data edit reports and compare data with child records, DHR staff reported that EICs rarely conduct this practice. As a result, the State's ability to verify that the data collected and reported reflect actual performance is compromised.

Required Actions/Next Steps

As noted above, the State must, with its FFY 2008 APR, due February 1, 2010, describe how DHR ensures that district staff ensure the accuracy and timeliness of monthly data submissions to DHR.

Critical Element 3: Integrating Data Across Systems to Improve Compliance and Results

Does the State compile and integrate data across systems and use the data to inform and focus its improvement activities?

Verification Visit Details and Analysis

BCW State staff reported that DHR uses its data system for providing continuous improvement, technical assistance, and ongoing support to its BCW districts. BCW State staff analyze district-level reports to identify training needs and to inform improvement activities. In spring 2008, the DHR's review of data reports uncovered that BCW districts were collecting child outcome data incorrectly. The State determined that additional training was needed at the district-level on the COSF form. The State has scheduled training with the Early Childhood Outcomes (ECO) Center for their BCW districts on this data collection tool.

BCW State staff reported that DHR also used data to determine that child find and transition were challenging issues for many of their districts. In response, DHR is developing child find tool kits to assist BCW districts and is planning regional training on transition with members of the Georgia Department of Education.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP believes that, to the extent DHR has data in the RBB database, DHR compiles and integrates data across some systems and uses the data to inform and focus its improvement activities. However, as noted earlier, DHR is neither using such data to make monitoring findings, nor is it ensuring that data in the database are validated and timely entered. Without collecting data at the local level, OSEP cannot determine whether DHR's data system is fully effective in using the data to inform and focus its improvement activities.

Required Actions/Next Steps

No action is required specific to this critical element. See required actions for General Supervision Critical Element 1 and Data Critical Elements 1 and 2, above.

III. Fiscal

Critical Element 1: Timely Obligation and Liquidation of Funds

Does the State have procedures that are reasonably designed to ensure the timely obligation and liquidation of IDEA funds at the State level?

Verification Visit Details and Analysis

During the verification visit, OSEP conducted interviews with the DHR Fiscal Unit staff. The DHR Fiscal Unit is comprised of the Office of Finance Services, Office of Audits, and the Budget Office and provides oversight for the financial operations of the BCW program. The Fiscal Unit uses its financial system to obligate Federal IDEA Part C funds for BCW. BCW has separate funding source identification (ID) codes and project codes that distinguish it from other DHR projects. All basic expenditures must be coded to department IDs that are linked to a fund source before they are accepted by the financial system.

BCW districts are local public agencies that contract with DHR's Division of Public Health. Each BCW district is a local EIS program managed by EICs and located in health districts led by a District Director. District Directors and some EICs are State employees of DHR. Other EICs are county employees. BCW district contracts specify rules and regulations that are consistent with the rules used by DHR. DHR uses an allocation formula to determine district allocations. Around the beginning of the State fiscal year, DHR sends an allocation table to each BCW district with the district's State allocation. The allocation table contains the purpose of the funds and time period in which funds are available. The time period coincides with the State's fiscal year. BCW districts create their budgets and DHR obligates their funds via grants in aid.

DHR uses a uniform accounting system (UAS) to distribute funds to BCW districts. There is a linkage between the UAS and DHR financial system. Each district's fund allocation has an individual ID code. Each month, BCW districts send expenditure reports to DHR. As expenditures from the districts are uploaded into the UAS, they are linked with fund source IDs and project IDs in the DHR financial system. This mechanism also triggers liquidations from the US Department of Education Grants Administration and Payments System. The Fiscal Unit assigns a specific fund code for each grant period to ensure that funds are drawn from the appropriate grant year account. BCW districts do not select fund codes to bill because districts operate within the State's current budget year. The Fiscal Unit must direct district expenditures to the appropriate year fund code.

After funds are obligated to districts, the BCW State staff review fiscal expenditure reports on a quarterly basis to ensure that the funds are obligated appropriately. The Fiscal Unit and BCW are currently in the process of designing new fiscal procedures with stronger internal controls to monitor obligation of Part C funds. DHR tries to allocate State and Federal funds by September 30th. There are times, however, when the allocation must be conducted in two parts. The allocation for FFY 2008 was conducted in two parts because DHR had issues with its Federal application. When DHR is unable to allocate its funds in a timely manner, it might cause districts to return funds to the State and DHR to return funds to the Department because funds cannot be expended in a timely manner. DHR reported that its BCW districts have not had to return money to the State. According to OSEP records, DHR had unexpended IDEA Part C funds in FFY 2003 in the amount of \$21,105. However, in FFYs 2004, 2005, and 2006, DHR had expended all of its funds.

OSEP Conclusions

Based on the review of documents, analysis of data, feedback from stakeholders and interviews with State personnel, OSEP has determined that DHR has procedures that are reasonably designed to ensure the timely obligation and liquidation of IDEA Part C funds at the State level.

Required Actions/Next Steps

No action is required.

Critical Element 2: Appropriate Distribution of IDEA Funds

Does the State have procedures that are reasonably designed to ensure the appropriate use of IDEA funds at the State level?

Verification Visit Details and Analysis

Fiscal Systems:²

The DHR Fiscal Unit and BCW State staffs informed OSEP that DHR currently ensures that it uses IDEA Part C funds for allowable purposes through quarterly data reviews conducted by the BCW and Fiscal Unit staffs. Fiscal Unit staff reported to OSEP that the last fiscal monitoring visit might have been conducted in 2006 or possibly at the end of FFY 2007 as part of the BCW reorganization. DHR could not provide documentation to verify when the fiscal monitoring occurred.

DHR reviews BCW district grant in aid expenditures on a quarterly basis to determine if expenditures of Part C funds are consistent with Federal requirements. BCW districts send quarterly expense reports to DHR via their fiscal database. The BCW Part C Coordinator reviews these reports for expenditures related to salary, fringe benefits, operating expenses, travel, subcontracts, and direct benefits. In addition, the BCW Part C Coordinator examines the reports for increases in spending and errors and contacts EICs, when needed, for additional documentation. BCW districts can also generate monthly programmatic reports that may highlight fiscal red flags. BCW State and Fiscal Unit staffs reported that DHR ensures that IDEA

² Without conducting a complete review of the State's expenses and source documentation of all obligations, OSEP cannot determine or conclude that costs charged to IDEA Part C funds are allowable and whether the State's policies for use of funds are fully and appropriately implemented.

Part C funds are not commingled with State or other funds by assigning codes to each funding stream. There is a separate organizational code for State dollars and another for Federal dollars.

Contracts with early intervention service providers are handled at the district level. Each contract is coded with a project ID. BCW fiscal policies state the hourly rate for contracted services. BCW districts enter into contracts with providers that specify provider rates and duration of services.

Payor of Last Resort

As part of the payor of last resort requirements under IDEA section 640, the State must ensure that Part C funds are not used to pay for Part C services that would have been paid for from another available funding source. Georgia has adopted a system of payments whereby families complete an application to determine their contribution to Part C costs and DHR uses public insurance or benefits and private insurance to pay for Part C services. These policies specify that IDEA Part C funds are to be the payor of last resort.

During the verification visit, Fiscal Unit and BCW State staff reported that they were unaware of other Federal, State, and local funding sources that could be used to pay for Part C services and that the State has never trained EICs on payor of last resort issues. The State has procedures regarding using Medicaid to pay for services to Medicaid-eligible children and using private insurance to pay for covered eligible children. BCW State staff informed OSEP, however, that it did not have a systematic method for monitoring BCW districts to ensure compliance with Part C's payor of last resort requirements.

Nonsupplanting/Indirect Costs

Regarding Part C's nonsupplanting requirements, DHR staff informed OSEP that it uses a tracking system to ensure that the State budgets for each fiscal year at least an equal amount of State funds that it had expended on early intervention services in the prior fiscal year, but DHR does not, as required by 34 CFR §303.124(b) also include local funds in that calculation. Under 34 CFR §303.124(b), the State must ensure that the total amount budgeted for Part C in a fiscal year is at least equal to the total amount of State and local expenditures for early intervention in the State. Given that DHR does not track the total amount of local expenditures, it is not fully complying with the requirements in 34 CFR §303.124(b).

Regarding indirect costs, for FFYs 2004 through 2008, Georgia DHR has represented in its Part C grant application that it does not charge indirect costs to its Federal IDEA Part C grant funds. However, during the visit, DHR staff confirmed that DHR has a cost allocation plan that was approved in 2006 by its cognizant agency, the U.S. Department of Health and Human Services, and that this cost allocation plan permits the charging of indirect costs by districts. During the verification visit, DHR Fiscal Unit staff informed OSEP that while the DHR does not charge indirect costs to Part C at the State level, BCW districts do charge indirect costs to the Part C grant funds based on the cost allocation plan. DHR's Division of Public Health, in conjunction with local health boards, allows all public health programs to charge indirect costs based on prior year expenditures.

OSEP Conclusions

Based on the review of documents, analysis of data, feedback from stakeholders and interviews with State personnel, OSEP finds that DHR has procedures that are reasonably designed to

ensure appropriate use of IDEA funds at the State level, except that the State does not have procedures to consider local expenditures in meeting Part C's nonsupplanting provisions in IDEA section 637(b)(6) and 34 CFR §303.124(b). Further, without information regarding whether and how the State's cost allocation plan addresses the charging of indirect costs by BCW districts, OSEP cannot determine whether such charging of indirect costs is permitted.

Required Actions/Next Steps

Regarding its nonsupplanting and fiscal verification issues, DHR must provide with Georgia's Part C FFY 2009 Application a specific written assurance that DHR has informed its State audit office of the need to review under the State's Single Audit, DHR's procedures to comply with the tracking of local expenditures to meet the requirements of Part C's nonsupplanting/maintenance of effort (MOE) requirements in IDEA section 637(b)(5)(B) and 34 CFR §303.124(b). DHR must also continue to keep OSEP apprised in writing of any further efforts it or its State audit office makes to ensure compliance with Part C's MOE requirements. Regarding indirect costs charged to Part C funds, DHR must submit within 60 days of this letter (or with its Part C FFY 2009 grant application) an electronic copy of its cost allocation plan and an assurance that no indirect costs are charged at the State level to the Part C grant.